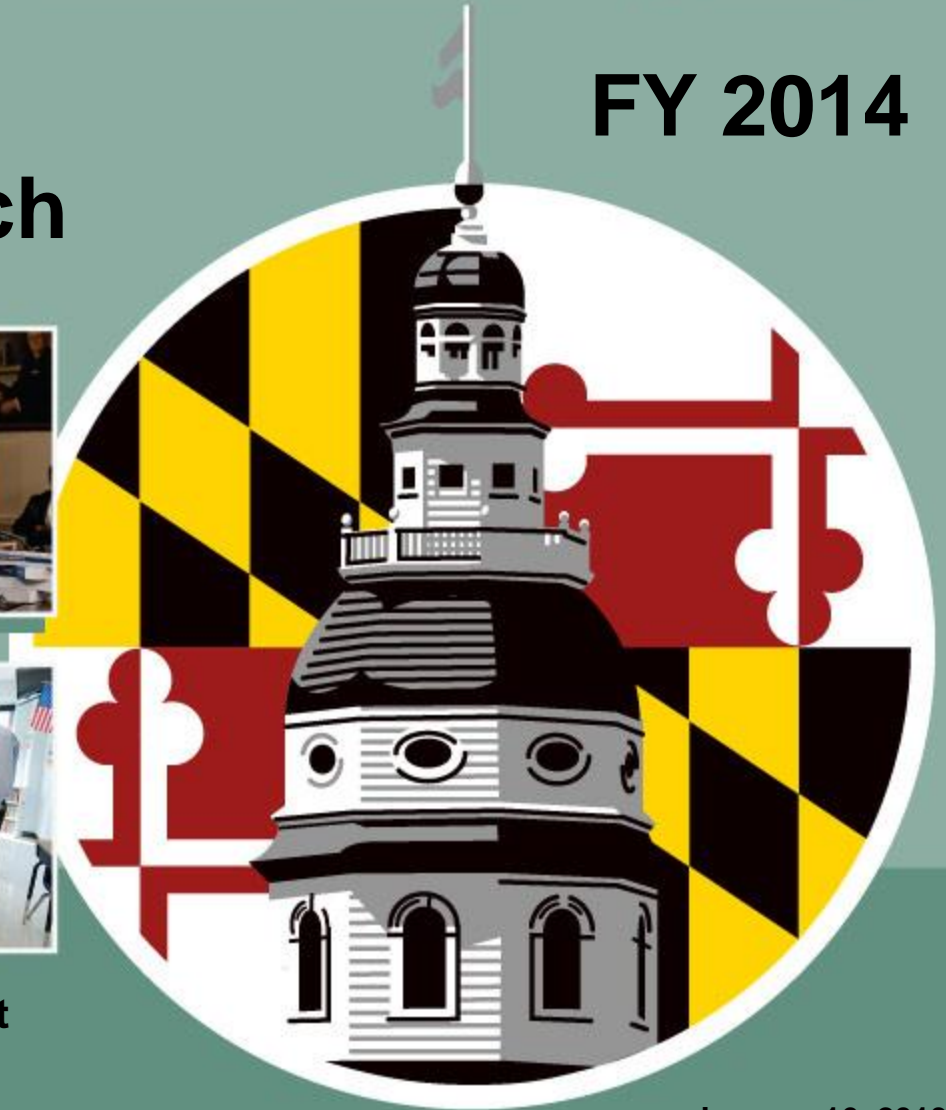


MARYLAND

Budget Highlights: A Balanced Approach

FY 2014



Department of Budget & Management

T. Eloise Foster, Secretary

Martin O'Malley, Governor ■ Anthony G. Brown, Lt. Governor

January 16, 2013

This is a Jobs Budget

**By investing \$3.7 B in
Maryland's roads, schools,
bridges and other capital
projects we will support over
43,000
jobs this year**

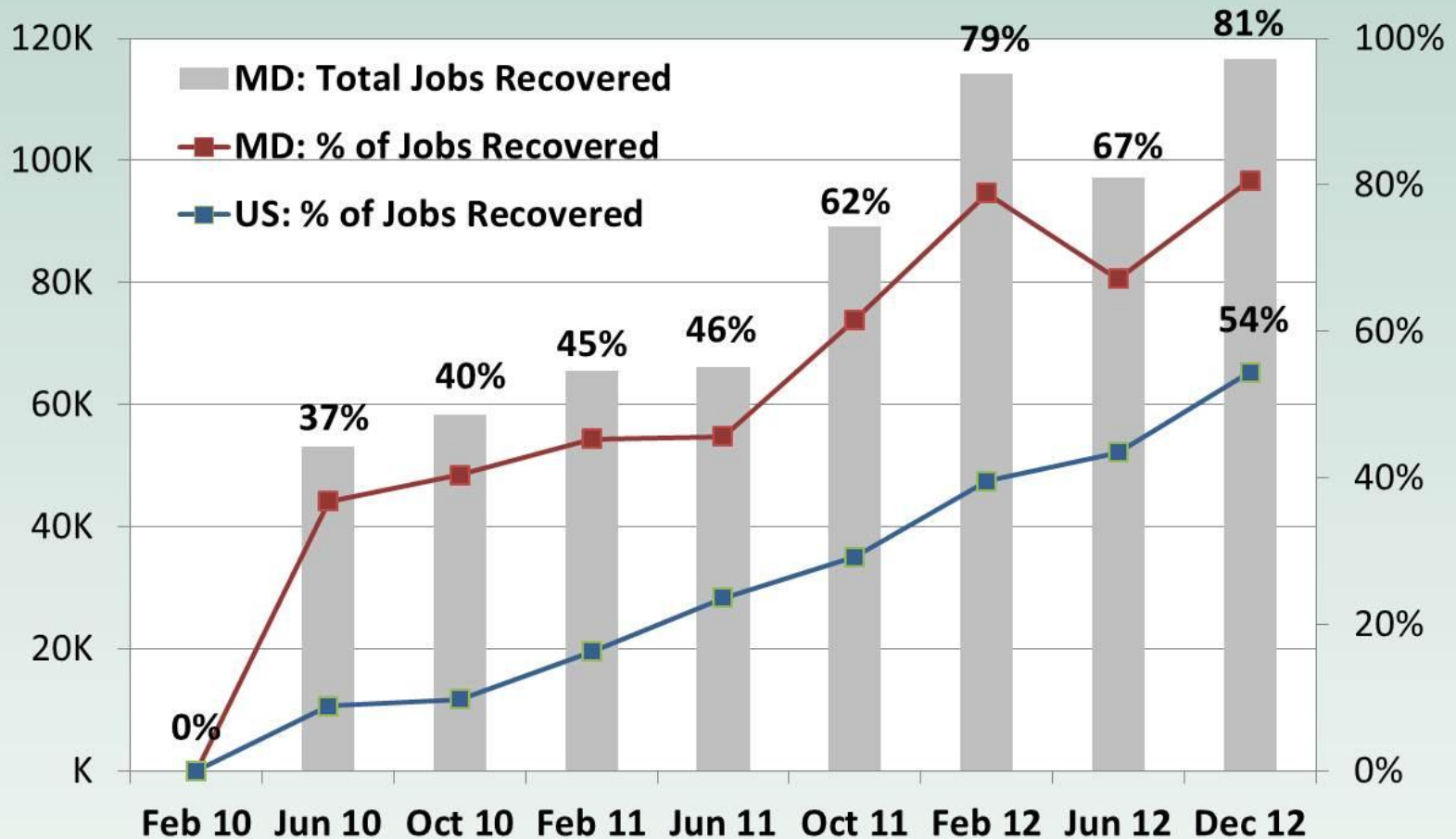


Jobs Supported

Public School Construction Program	8,199
Rental Housing Works Initiative	1,900
Bay Restoration Fund	437
Transportation Capital Budget	16,238
Other Capital Spending	16,345

Post-Recession Jobs Recovery

Maryland has recovered over 80% of the jobs lost in the recession - at the 8th fastest rate in the nation



83 Cents of Every FY 2014 General Fund Dollar Goes to Education, Health, & Public Safety



\$0.47
Education

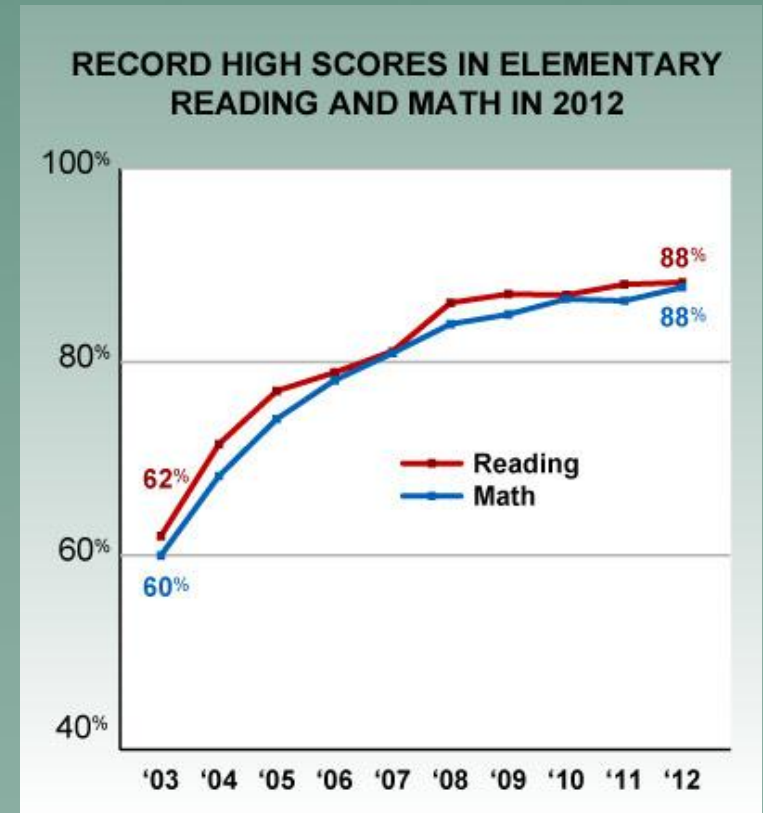
\$0.25
Health

\$0.11
**Public
Safety**

\$0.17
Other

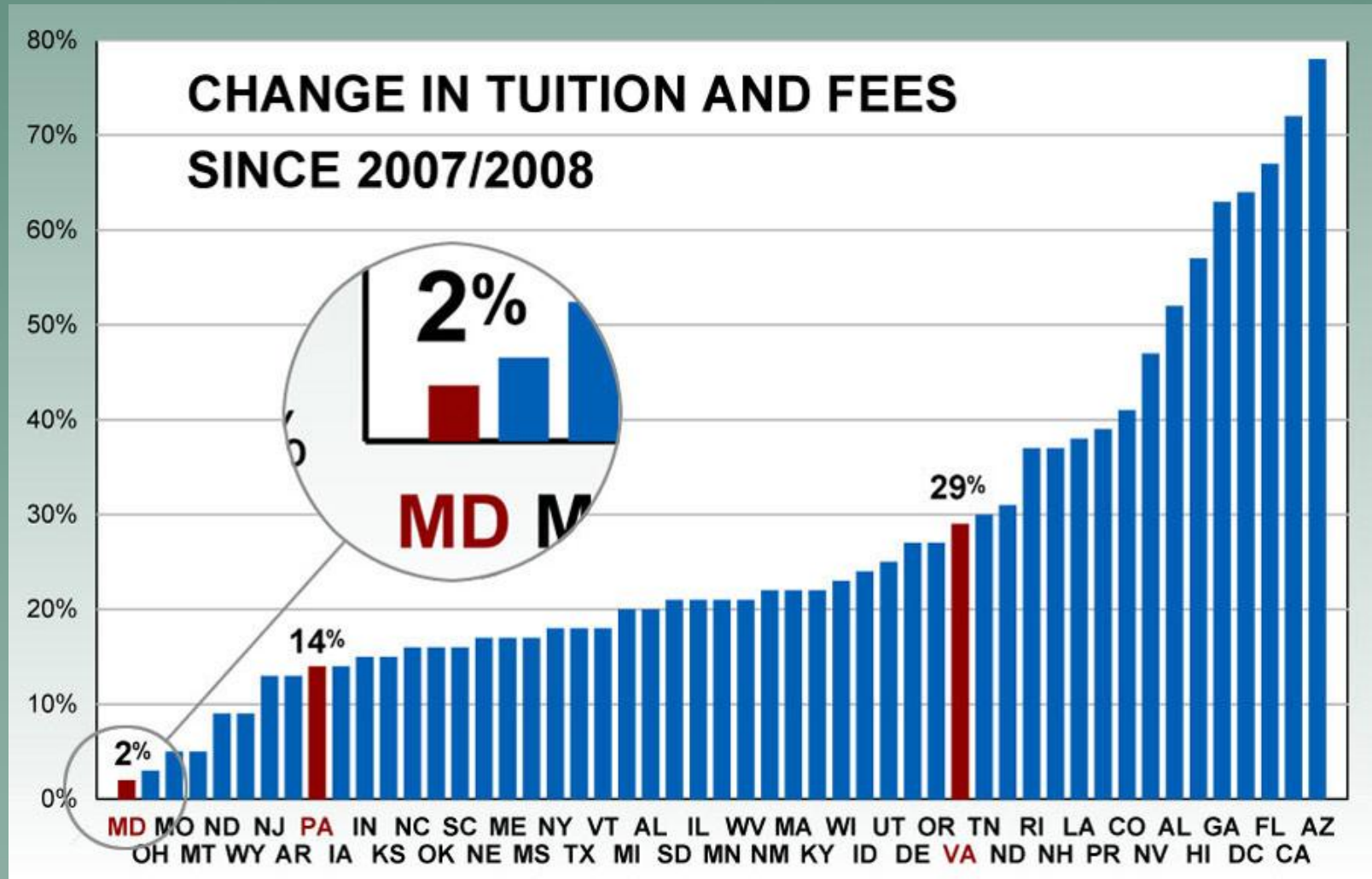
Improving Education

- ▶ #1 public schools in the nation for the 5th consecutive year
- ▶ Cut achievement gap among elementary students by more than a quarter
- ▶ Record number of kindergarteners entering school fully ready
- ▶ Record high MSA scores in elementary reading, elementary math and middle school math
- ▶ #1 in America: AP success for the 4th consecutive year
- ▶ Highest graduation rate in history



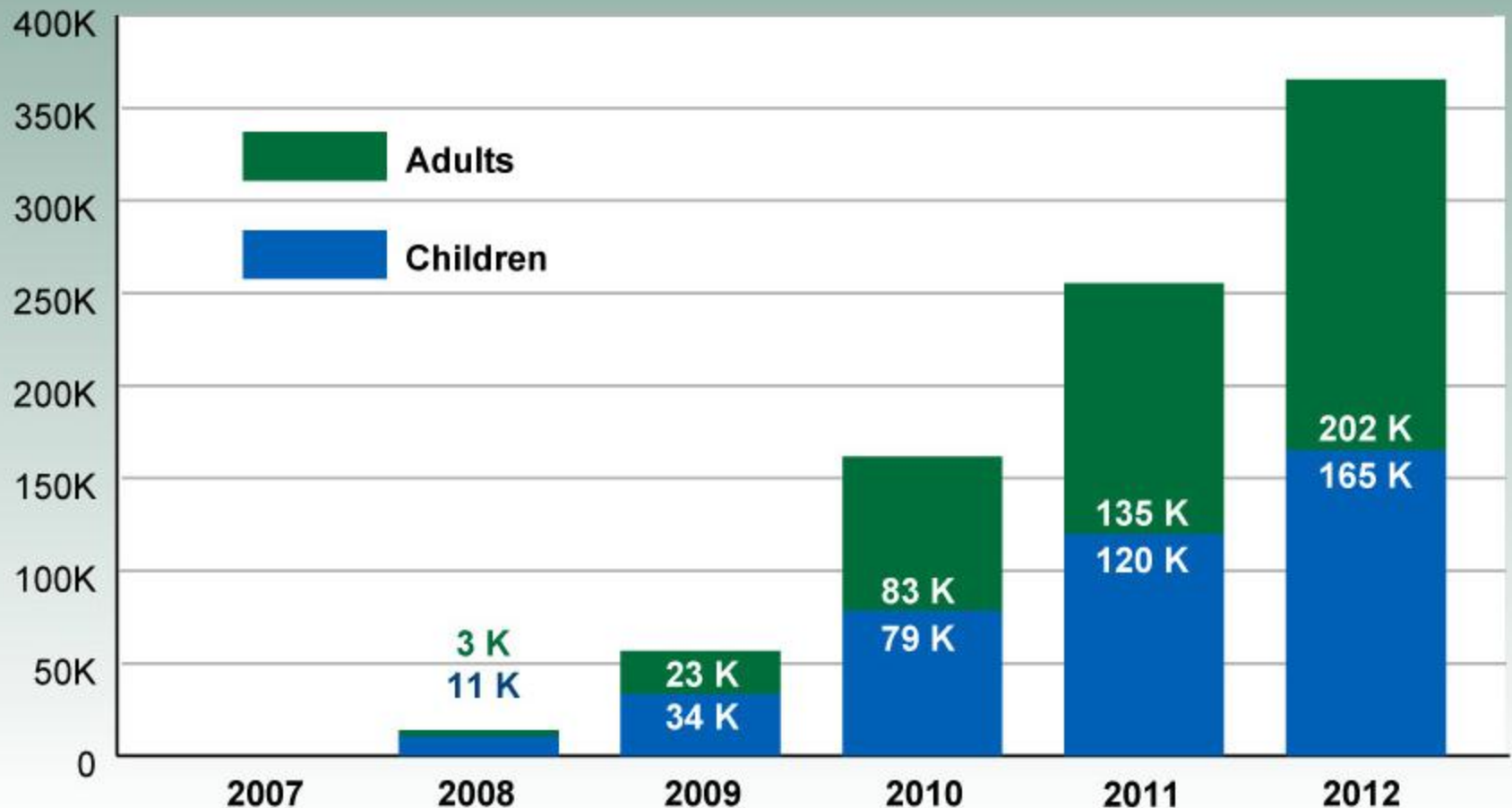
Making College More Affordable

Maryland Leading the Nation



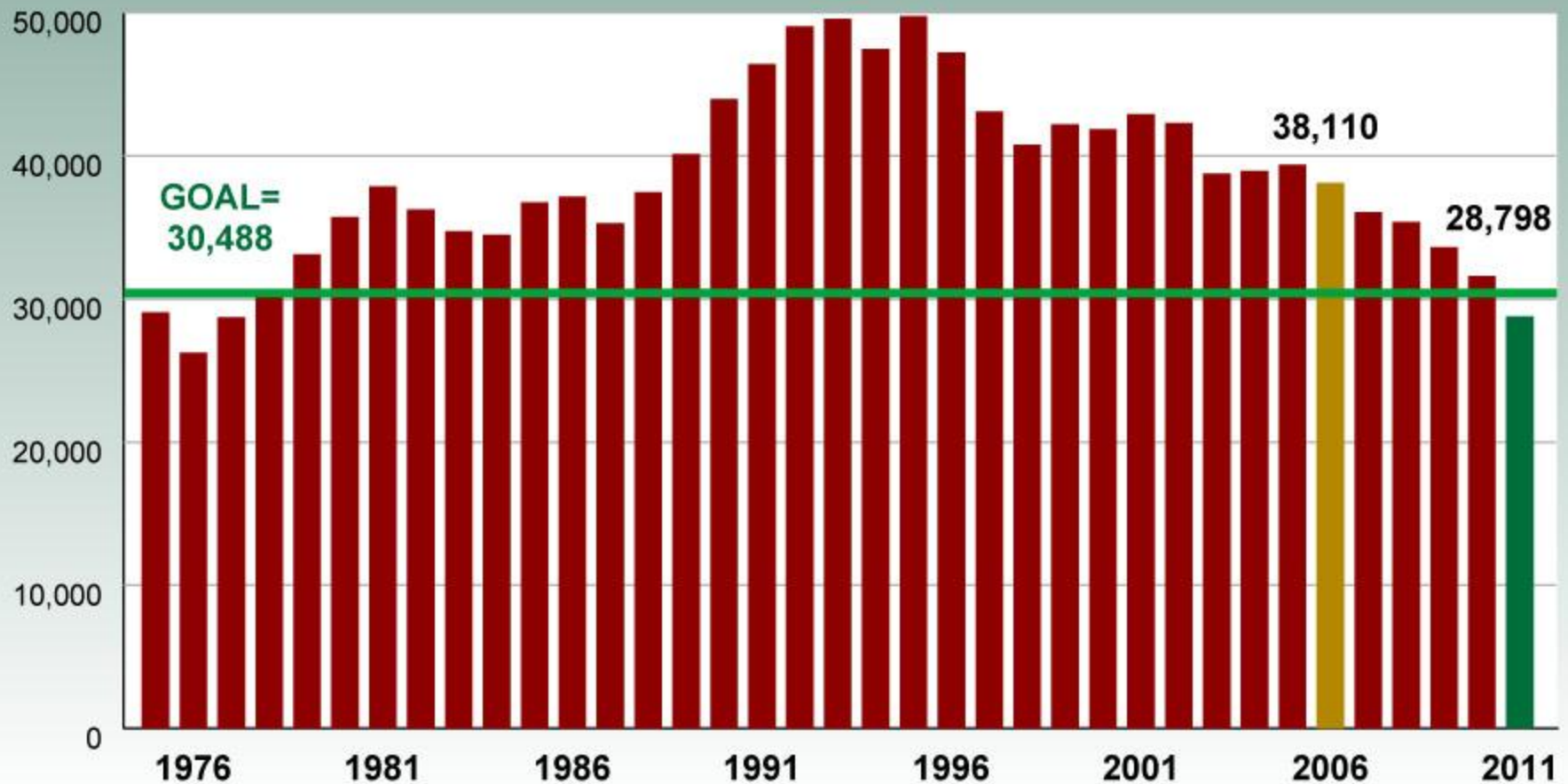
Choosing a Healthier Maryland

Insuring 367,000 more Parents and Children



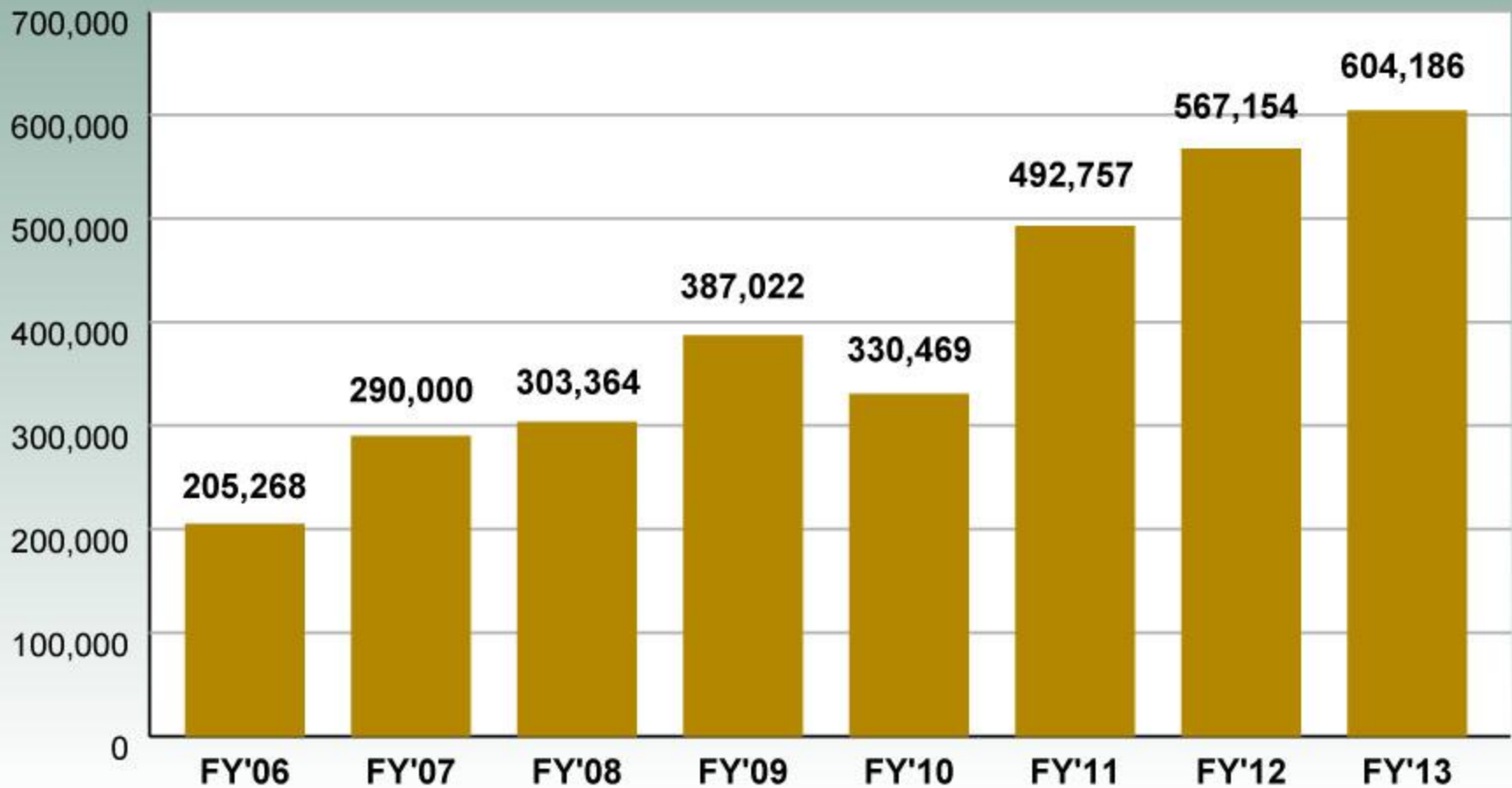
Driving Down Violent Crime Nearly 25% Since 2006

INCIDENTS OF VIOLENT CRIME

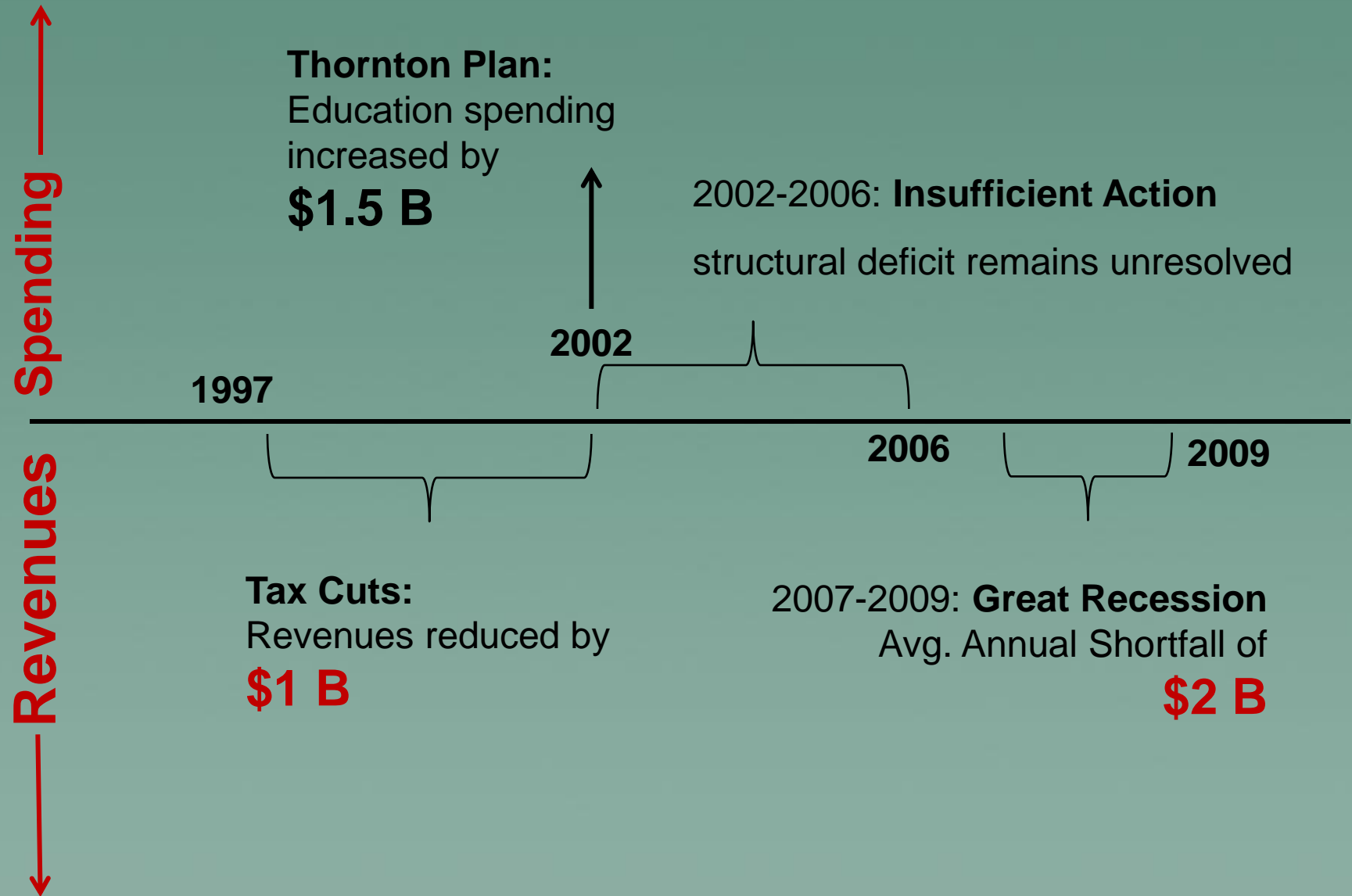


Protecting the Bay

COVER CROPS APPROVED ACRES FY2006-FY2013



Drivers of the Structural Deficit

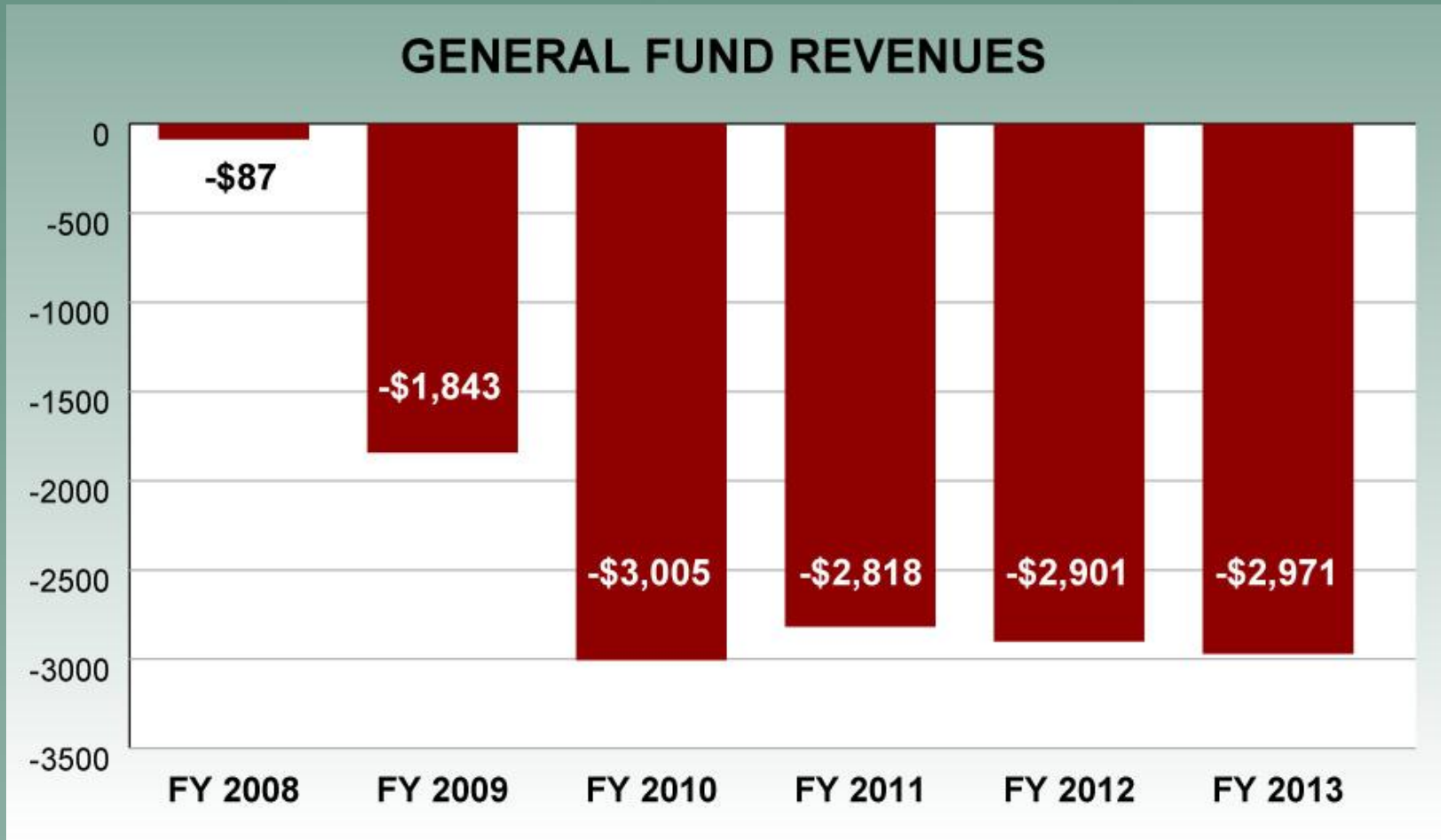


Closing the Structural Deficit with a Balanced Approach

- ▶ Upon taking office in 2007, the structural deficit was \$1.7 B
- ▶ Together, in that first year, we chose a balanced approach to reduce the deficit and to protect our priorities
 - ▶ We cut spending more than any other Administration in Maryland history
 - ▶ We made responsible decisions to restore General Fund revenues and protect priorities like education and job creation

Then...

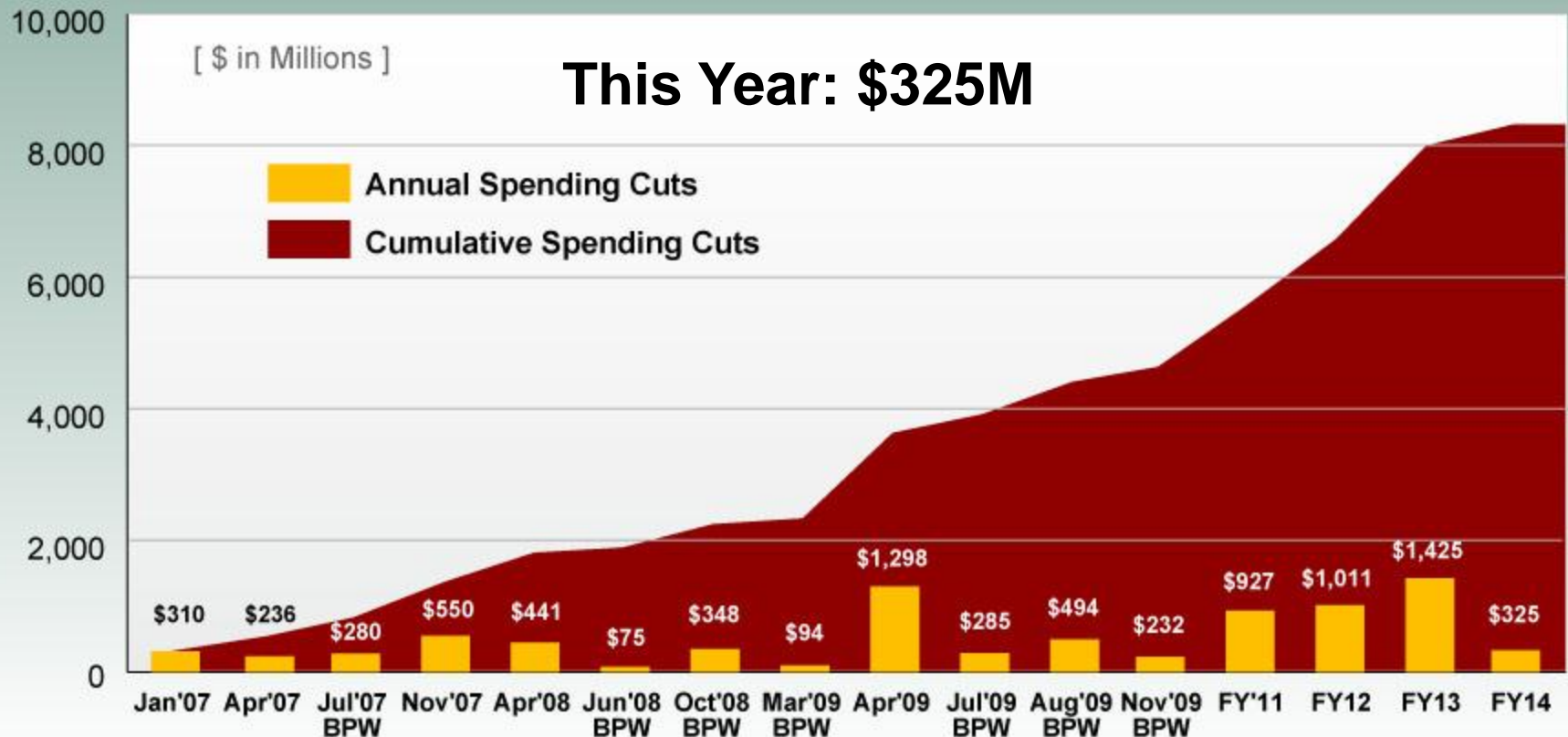
The national recession hit, and reduced revenues by approximately \$13 B between FY08 and FY13



We Cut, Cut, and Cut Again

Total 7-year Spending Cut: \$8.3 B

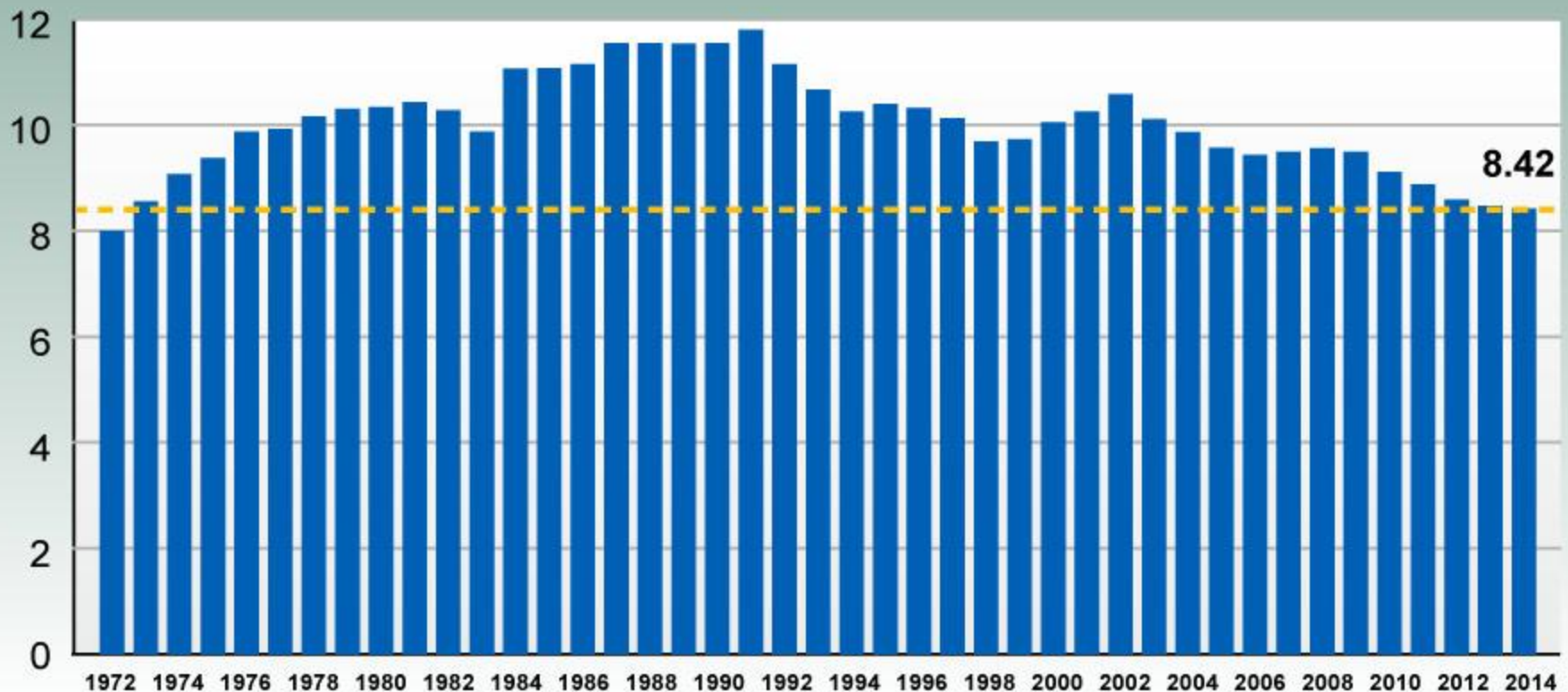
BUDGET ACTIONS



We Made Government Smaller

Fewest Executive Branch Employees per capita since 1973

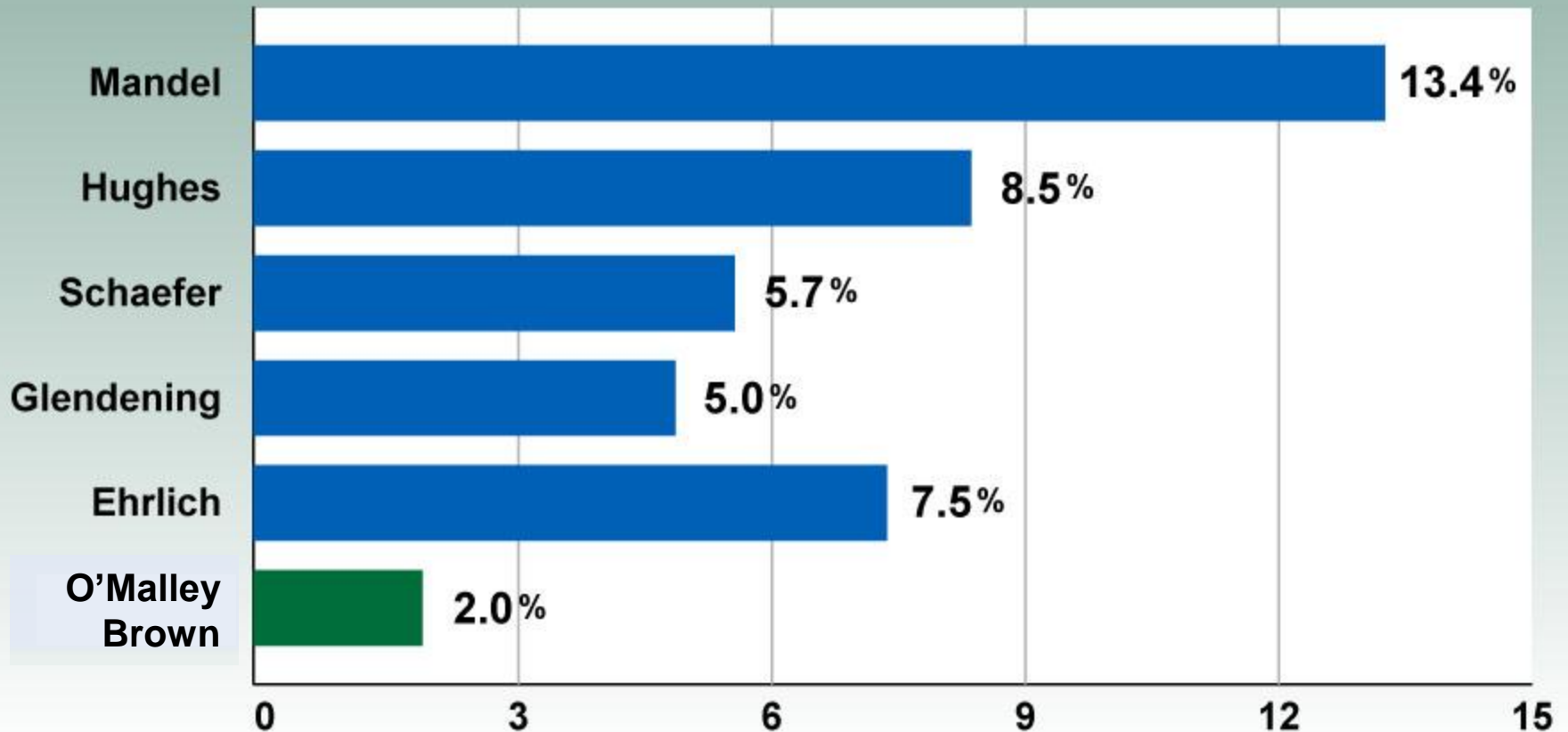
EXECUTIVE BRANCH EMPLOYEES PER 1,000 RESIDENTS



More than 5,600 positions abolished since 2007

Average Annual Budget Growth Rate

GENERAL FUND SPENDING GROWTH



***Excludes Appropriations to the Rainy Day Fund**

A Fiscally Responsible Budget

- ▶ FY 14 budget includes \$325 M in spending cuts
- ▶ Total spending cuts since 2007 now reach \$8.3 B
- ▶ Increasing Rainy Day Fund to 6% of revenues (\$921 M)
- ▶ Securing cash reserves to total \$1.157 B
 - ▶ General Fund balance - \$236 M (18% more than recommended)
 - ▶ Rainy Day Fund - \$921 M
 - ▶ Safeguard Maryland against the impact of Congressional fiscal uncertainty
- ▶ Reducing the structural deficit by \$318 M; putting Maryland on the verge of closing the structural deficit
 - ▶ 91% of structural gap closed in three years
- ▶ Keeping spending below the General Assembly's Spending Affordability Guidelines for the 7th consecutive year
 - ▶ Cuts structural deficits by \$17 M more than recommended

\$325 M
IN CUTS

\$921 M
RAINY DAY FUND

\$1.15 B
CASH RESERVES

CUTS STRUCTURAL
DEFICIT BY
\$318 M

**CONSTRAINS
GROWTH**
BELOW SPENDING
GUIDELINES 7^{YRS} IN
A ROW

This is a Jobs Budget

- ▶ This is a **jobs budget** with capital budget support for over 43,000 jobs rebuilding schools, roads, bridges, community colleges and other projects.
- ▶ This is a **jobs budget** which makes the largest investment ever in public education- our best tool for job creation and opportunity.
- ▶ This is a **jobs budget** which makes responsible choices to protect our Triple A bond rating, improving investor confidence in Maryland.

MARYLAND

Governor.Maryland.gov

For more info

FY 2014

